

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7053

BILL NUMBER: HB 1240

NOTE PREPARED: Jan 7, 2010

BILL AMENDED:

SUBJECT: Various insurance matters.

FIRST AUTHOR: Rep. Fry

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill makes various changes to the law concerning (1) pharmacy actions with respect to prescriptions; (2) disclosures of insurer information; (3) insurer examinations; (4) annual audited financial reporting; (5) foreign and alien insurers requirements; (6) insurance producer licensing and continuing education; (7) records of insurer held securities; (8) insurance holding company transactions; (9) insurance administrator licensing; (10) an unauthorized insurers exception in relation to an industrial insured; (11) consistency in compliance with laws by various types of insurers and health maintenance organizations; (12) requirements for discretionary groups for purposes of accident and sickness insurance; and (13) small employer group insurance requirements.

The bill makes conforming amendments.

It repeals (1) definitions of unused terms for purposes of the annual audited financial reporting law; (2) a provision concerning notice of claim recoding by insurance administrators; (3) an obsolete cross reference for purposes of the small employer group insurance law; and (4) the small employer group voluntary reinsurance program law.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Retention of an Examiner.* The bill provides that the DOI is not required to follow certain requirements specified in the public purchasing law. The DOI works with auditing groups and certain situations require the DOI to work quickly in order to investigate financials of insurance companies. Requiring the DOI to submit a request for proposals could slow the process. The provision will have no fiscal impact, but could enhance the responsiveness of the DOI.

Rules. The DOI Commissioner may adopt rules to implement the provisions of the bill. This requirement is within the DOI's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

The remainder of the bill codifies rules already in place, clarifies, or updates the code to conform to national standards. The bill also gives the DOI the ability to adjust fees to cover increases in expenses when necessary. Repealed cites are cites that are no longer applicable. There are no significant fiscal impacts in these provisions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Robin Crosson, Legislative Liaison, DOI, 317.234-6293.

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